



Water Infrastructure Finance Authority of Arizona

NEWS RELEASE

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WIFA Chairman Owens Announces \$32 Million Loan to Town of Sahuarita in Pima County for Sewage Plant Expansion

PHOENIX (Feb. 29, 2008) –Water Infrastructure Finance Authority (WIFA) of Arizona Chairman Steve Owens announced today that the WIFA Board of Directors has approved a \$32 million low-interest loan to the Town of Sahuarita for the second phase of the expansion of its wastewater treatment facility.

The 20-year loan will allow the town to increase the capacity of its wastewater treatment facility from 490,000 gallons to 1.5 million gallons a day. The expansion of the wastewater treatment facility will be designed to produce A+ effluent for recharge and provide for improved odor control.

In March 2007, the Sahuarita Town Council approved the plant expansion. Completion of Phase 2 is expected in the summer of 2009 and will serve a rapidly growing population, estimated at nearly 14,000.

“The Town of Sahuarita is one of Arizona’s fastest growing municipalities,” said Chairman Owens, who is also the Director of the Arizona Department of Environmental Quality (ADEQ). “By committing to the expansion of the plant, the Town of Sahuarita is protecting its water resources and providing the infrastructure to meet its current and future growth and development needs. This is more than just a loan; it is an investment in Sahuarita’s future.”

Owens added that because the WIFA loan has a low interest rate, the Town of Sahuarita is expected to \$7 million in interest costs over the 20-year life of the loan

The WIFA loan also is important to help Sahuarita comply with a Consent Order the town recently entered into with ADEQ to address issues with the town’s wastewater treatment system.

Sahuarita had expanded its wastewater plant from 300,000 gallons a day to 490,000 gallons a day in mid-2006 without receiving a required Aquifer Protection Permit (APP) from ADEQ, a violation of state law. The Consent Order allows the town to treat up to 200,000 additional gallons of wastewater a day at its present treatment system, but the town is prohibited from exceeding this increased amount until it constructs a larger treatment facility, which the WIFA loan will enable the town to build.

“This is a classic case of a town outgrowing its wastewater infrastructure,” Director Owens said. “The Consent Order has helped stabilize Sahuarita’s wastewater treatment planning and deal with the demands being placed on its wastewater system because of the explosive growth the town has been experiencing,” Owens said. “The WIFA loan will enable the town to build the new infrastructure it needs in an affordable way.”

The Water Infrastructure Finance Authority of Arizona maintains and improves water quality in Arizona by providing communities and private water systems with access to low-interest financial assistance and technical assistance needed for basic water infrastructure. For more information, please visit WIFA's Web site at www.azwifa.gov.